

Applicability

This policy outlines the process for cost transfers as they pertain to externally funded sponsored programs. It applies to all cost categories, including payroll costs.

Background

A cost transfer involves moving an expense from one account to another. While every effort must be made to charge costs to the correct account(s) when they are incurred, there are a limited number of reasons which may necessitate a cost transfer, such as:

- Correction of a clerical error
- Reallocation of expenses between multiple benefitted accounts
- Transfer of pre-award costs from an institutional account to a sponsored project
- P-Card Reconciliation

Policy

Cost transfers may be made, provided all of the following conditions are met:

- the cost directly benefits the project
- the cost is a proper and allowable charge to the project
- the transfer is supported by adequate documentation

Cost transfers must be prepared and submitted within 90 days from the date on which it is discovered that the transaction was not charged to the correct account. Only in the case of exceptional circumstances will cost transfers be permitted which exceed this 90 day period. All cost transfers must be fully and appropriately justified, documented and completed within this time period. Justification must include:

- Why the expense was originally charged to the account from which it is being transferred
- Why the charge is being transferred to the proposed account

Principal Investigators are responsible for ensuring all cost transfers are executed in compliance with this policy.

Contact

Any questions regarding this information should be directed to the Office of Sponsored Funds Administration, x7-6752.